LEGISLATIVE LIBRARY OF BRITISH COLUMBIA
3 3298 00309 9893

British Columbia Ferry Commission

Annual Report
for the Fiscal Year Ending March 31 2005

Prepared and submitted in accordance with
Section 53 of the Coastal Ferry Act
of the Province of British Columbia

British Columbia Ferries Commissioner
P.O. Box 1497
Comox, B.C.
V9M 8A2

Telephone (250) 339 2714

http://www.bcferrycommission.com
info@bcferrycommission.com

July 4th 2005

DOC
BC
B6558
B
2004/05
c.3

LEGISLATIVE LIBRARY SEP 26 2005

To the Lieutenant Governor in Council

Comox, B.C.
July 4th 2005

May It Please Your Honour:

BC Ferry Commission Annual Report
For the Fiscal Year Ending March 31 2005

I am pleased to submit to you the second Annual Report of the BC Ferries Commissioner.

As required by section 53 of the Coastal Ferry Act, the Report sets out briefly all applications and requests for decisions to the commissioner under the Act, all orders issued by the Commissioner, the financial statements applicable to the office of the commissioner for the above period along with full disclosure of the expenses of, and associated with, the office of the commissioner.

Yours truly,

Martin Crilly
BC Ferries Commissioner

CONTENTS

1	HIGHLIGHTS: MESSAGE FROM THE COMMISSIONER	2
2	THE ROLE OF THE COMMISSION	5
3	ACTIVITY SUMMARY	8
4	AVERAGE FARE LEVELS	20
5	FINANCIAL STATEMENTS	21

1 Highlights: Message from the Commissioner

Independent regulator with watchdog and judicial roles

This report covers the first full fiscal year of the BC Ferry Commission's work as the economic regulator of BC Ferries. It records our monitoring of BC Ferries' compliance with its legislative and contractual obligations. It also documents our rulings, which covered the acquisition of new ships, volatility in fuel prices, and opportunities for alternative ferry operators.

Did BC Ferries meet its legal and contractual obligations during the year?

Based on our review of BC Ferries' quarterly data, our main finding is straightforward: **BC Ferries complied throughout the year with both the Act and its service contract with the Province** respecting fares and service levels. In particular:

- **BC Ferries' fares remained within the maximums allowed.** By law, on November 1 fare caps rose 2.8% for the three major routes, and 4.4% for others: BC Ferries' actual fares remained within the caps, as measured quarterly by the Commission's weighted average fare index;

Fare discounts

- we saw the impact of fare cap regulation when BC Ferries offered **short-term special discounts** on four routes at different times during the year. The company had projected its weighted average fare under existing fares, apparently saw it would exceed the cap for the quarter, and accordingly reduced fares in time to stay on-side;
- overall, **BC Ferries provided more than the minimum contracted quantity of service.** On two of the three major routes, the number of sailings exceeded contracted levels, though on the Tsawwassen-Duke Point route there was about a 1% shortfall for reasons that were within the company's control (e.g. mechanical). On other routes service was delivered very close to or exceeding contract minimums.

Did BC Ferries' service quality change during the year?

Service **quality** (comprising on-time performance, reliability, passenger comfort and convenience, and many other dimensions) is harder to gauge than simple price and quantity of service. We have not attempted to regulate it.

There is positive evidence, however, of the overall quality of BC Ferries' services. The company's scientific sampling surveys, taken by an outside polling firm and reported to the Commission by BC Ferries, show **relatively high, and increasing, overall customer satisfaction**.

We have asked BC Ferries to make public every quarter year, by route, two measures of service quality, being:

- **on-time performance** as measured by the percentage of sailings departing within 10 minutes of schedule. For the major routes, there has been notable improvement in 2004/5 compared with the previous two years. On other routes, there is a mixed picture with no readily discernable trend compared with previous years[1] and
- **the number of full (or "overload") sailings** which leave customers behind on the dock. Overloads are an issue mainly on the major routes; Tsawwassen-Swartz Bay and Horseshoe Bay-Departure Bay which record the highest percentages of full sailings at 50% and 26% of the year's sailings respectively, concentrated in the summer peak and other holiday periods.

Ruling on acquisition of three ships for major routes

Our **first major order** of the year responded to **BC Ferries' proposal to acquire three "Super C" vessels for the major route group** to replace three obsolescent ships. The company asked the Commission to rule that the acquisition was "reasonably required", so that it could be sure that the Commission would take into account the budgeted $542 million capital cost of the new vessels when setting future fare caps on the major routes. In May 2004 the Commission found that:

- to replace the obsolescent ships was prudent and timely;
- the new vessels were reasonably required; and
- BC Ferries had followed a sound procurement process, reviewed by independent technical experts. That process should, as far as possible, protect the interests of ferry customers (who pay for 100% of the cost of ships used on the non-service fee major routes) due to supplier's guarantees on the final price, performance and delivery date of the ships.

Tracking Extraordinary Fuel Costs

The year's **second major ruling** addressed the challenge posed by **volatile fuel prices**. The Commission authorized a new fuel cost "deferral account" on BC Ferries' balance sheet. The amounts paid for fuel either above or below a benchmark price (i.e. the price previously budgeted in 2003 when current fare caps were fixed by the Coastal Ferry Act) are accumulated in this account. Only the benchmark price (some 40 cents per litre for marine diesel, increased each year by a general measure of inflation) is charged to operations, thereby stabilizing the company's income statement. After the end of the fiscal year 2005, the Commission wrote to BC Ferries advising it to consider applying for a fuel surcharge on fares, with the revenue to be paid into the account, to keep the balance within reasonable limits.

---

[1] One route (Port McNeill-Alert Bay-Sointula) suffered chronic tardiness. The Commission probed this matter as reported in Section 3 following. More recent data show a remarkable improvement on this route.

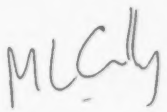
Alternate Service Providers Plan

At the end of the previous fiscal year, responding to a requirement of the Act, BC Ferries had published a document titled "Additional Or Alternative Service Providers Plan" (the "ASP Plan"). It identified **six BC Ferries routes as prime candidates for bids by ASPs to subcontract with BC Ferries**. The Commission views the Act's requirements as a guard against complacency by BC Ferries, which operates as a near-monopoly, and also as a way of maintaining pressure for cost-effectiveness. Progress was modest in this area during fiscal 2005. The Commission:

- reserved its position on whether the ASP Plan was satisfactory, and asked BC Ferries to elaborate in eight areas (which it did after the end of the fiscal year); and
- initiated an invitational seminar for ferry operators interested in becoming ASPs to be held in June 2005.

In our report a year ago we drew the government's attention to the operation of the reservation system on the Vancouver Island-Mainland routes and on the Sunshine Coast, unregulated by the Act, and, therefore, outside the regulatory powers of the Commission because we believe there is potential for misuse of monopoly power. Our view on this matter is unchanged.

Finally, I am delighted to welcome Mr. Alan Eastwood as Deputy Commissioner. Since joining the Commission in September 2004, he has made a solid and vital contribution to our work.



Martin L. Crilly
British Columbia Ferries Commissioner
July 4th 2005

2 The Role of the Commission

Policy Principles for the BC Ferry Commission
Coastal Ferry Act, s 38

(a) priority is to be placed on the financial sustainability of the ferry operators;
(b) ferry operators are to be encouraged to adopt a commercial approach to ferry service delivery;
(c) ferry operators are to be encouraged to seek additional or alternative service providers on designated ferry routes through fair and open competitive processes;
(d) ferry operators are to be encouraged to minimize expenses without adversely affecting their safe compliance with core ferry services;
(e) cross subsidization from major routes to other designated ferry routes is (i) to be eliminated within the first performance term of the first Coastal Ferry Services Contract to be entered into under this Act, and (ii) before its elimination, to be minimized;
(f) the designated ferry routes are to move towards a greater reliance on a user pay system so as to reduce, over time, the service fee contributions by the government.

The **BC Ferry Commission** regulates ferry operators under the Coastal Ferry Act of 2003. The Province appoints the commissioner and up to two deputy commissioners as statutory officers for six- to eight- year terms. They are independent of both the government and of ferry operators. In August 2003 Martin Crilly of Comox was appointed Commissioner. In September 2004, Alan Eastwood of North Saanich was appointed Deputy Commissioner.

Their decisions cannot be appealed, except on a question of law. They may be terminated only for mental infirmity, conviction for an indictable offence under Canada's criminal code, or a judicial finding of conflict of interest or material breach of duties or obligations.

The Commission is not an ombudsperson acting to resolve any private disputes with ferry operators; nor is it a general complaints or compliments bureau. Further, it is not responsible for regulating safety or environmental impacts of ferry operations.

In exercising its powers as watchdog, the Commission is obliged to follow six policy principles in protecting the public interest (see box, left).

Currently, British Columbia Ferry Services Inc. (**BC Ferries**), which is a near-monopoly operator of 25 saltwater routes under a service contract with the Province, is the only ferry operator regulated by the Commission. A large part of the Commission's job is to guard against the potential for arbitrary use of monopoly power.

BC Ferries was created in April 2003 from the former BC Ferry Corporation, which was a taxpayer-supported crown corporation. It is now a self-financing company with a mandate to widen travel choices for users and improve service quality.

Under a long-term contract with the Province, BC Ferries must operate its system to provide defined **minimum core service levels** on each of the 25 routes. On three of them, called **major routes,** which are financially self-sufficient, BC Ferries receives no subsidy. On the other 22, the government pays BC Ferries a **ferry transportation fee** per-round trip sailing for a total maximum fee of $91.9 million.

One of the Commission's tasks is to **regulate ferry fares**. The Commission sets a ceiling or "price cap" on the average level of fares which BC Ferries can charge. The goal in setting the price cap is to balance

consumer protection with financial sustainability of the ferry operator, while encouraging efficiency.

The routes are divided into seven geographic groups. Each group has its own price cap, which is a ceiling on the weighted average level of the individual fares within the group. The level is re-set after every fourth year. Each four year[2] period is termed a "performance period". In its surveillance of ferry fares, the Commission ensures that the weighted average of ferry fares, for each of seven groups of routes, does not rise above the cap for each group. If it does, the Commission may penalize the operator unless corrective action, e.g. reducing fares, is taken within the next quarter.

Regulation of service quantity

In overseeing the amount or **quantity of service** provided by BC Ferries, the Commission monitors the adherence of BC Ferries to the terms of its service contract with the Province. The Commission checks that the numbers of sailings on each route are at a minimum equal to those required in the service contract, subject to an allowance for missed sailings for certain reasons (e.g. bad weather). If there is a shortfall in the quantity of service the operator sacrifices the service fee and may face other more serious consequences.

Regulation of service quality

While the broader and less readily measured performance parameter of **service quality** (e.g. punctuality, reliability, comfort and convenience to customers, or other qualitative dimensions of ferry service) are of great import to ferry customers, the Commission does not try to regulate in this area. To do so would be difficult, inconsistent with the legislature's intention that regulation be exercised in a light handed fashion and could lead to arbitrary and ineffectual regulation.

However, the Commission does track BC Ferries' regular reports of its on-time performance, and the number of "overload" sailings which depart leaving customers behind in the waiting area. The Commission also inspects regular customer satisfaction sampling surveys which BC Ferries is contractually bound to carry out using an outside polling firm.

Pro-competitive regulation

To promote **efficiency of ferry operators**—which helps keep down both ferry fares and the need for taxpayer funding—the Commission's rulings aim to provide incentives to operators to deliver ferry service in an efficient fashion while maintaining the required priority on their financial sustainability.

The Coastal Ferry Act requires BC Ferries, in each performance period, to submit to the Commission a plan to **seek additional or alternative service providers** (ASPs)—and then to execute that plan. ASPs could **serve on BC Ferries routes under subcontract**, if they could reduce the costs of ferry operations. The Commission sees this clause, in part, as guarding against the danger of BC Ferries, in the absence of little other competition, becoming complacent about its own methods and cost-efficiency.

---

[2] Except for the first performance period, which is five years, ending on March 31, 2008.

The Act empowers the commission to penalize BC Ferries if it considers that BC Ferries has not submitted a satisfactory plan, and to order it to submit one—and to execute it—to a deadline.

Commission probes

Overall, the Commission is alert for information, either from its own observations or from the public, suggesting how the performance, service quality, efficiency or productivity of ferry operations could be improved. The Commission may decide to launch a probe on any topic of interest to it, in which the ferry operator is legally required to answer the Commission's questions and comply with any resulting orders, with no appeal.

3 Activity Summary

Commission Activities in the fiscal year 2004/5

---

1. **Regulation of Ferry Fares**
   - monitored weighted average fares and price caps, and confirmed that actual fares were below the caps
   - approved creation of a deferral account to track fuel costs over a benchmark price.

2. **Regulation of Service Levels**
   - confirmed that BC Ferries delivered contracted round-trips.

3. **Special Decisions**
   - declared three new ships to be reasonably required.

4. **Enforcement**
   - monitored BC Ferries public reporting.

5. **Publication and Outreach**
   - maintained records, published decisions, and communicated with the public and stakeholders.

6. **Administration and Reporting**
   - operated an office, obtained support services and consulting advice, and wrote its Annual Report, Service Plan and 2005/6 Budget.

The Commission's activities fall into **six headings** shown on the left. These headings are the same as those used on the Commission's Service Plan and Budget for the period ending March 31 2005, published in September 2003.

The core, ongoing activities are in headings 1 and 2: the **regulation of fares** through the price cap mechanism, and the **regulation of service levels**.

Special decisions under heading 3 include pre-approval of major capital deployments (e.g. new ships) on application from a ferry operator, which occurred early in the year. The Commission found BC Ferries to be in compliance with the law and so no **enforcement** action (under heading 4) was necessary.

Two busy areas were to inform the public about the Commission's role (under heading 5 - **publication and outreach**) and maintaining routines and procedures under **administration and reporting** under heading 6.

Readers will find **more detail** in the table on the following pages. It lays out the Commission's **planned versus actual activities** under the same headings, keyed to the relevant section number of the Coastal Ferry Act.

Activity number	Coastal Ferry Act Section	**PLANNED ACTIVITY from the Fiscal 2004/5 Service Plan (issued September 2003)**	**ACTUAL ACTIVITY in Fiscal 2004/5**
1.0	**Regulation of Ferry Fares**		
1.1	39	Determine how weighted average price is calculated	
		The Commission will provide guidelines for BC Ferries to build an Average Price Model which computes the average price within each of seven route groups. The model will draw upon BC Ferries traffic and sales data plus a set of explicit assumptions to calculate the average price at April 1, 2003, defined as the price cap for the first performance term. Operation of the model will be externally validated.	The Commission continued to engage InterVISTAS Consulting as external consultants with expertise in price cap regulation and developed an Average Price Model in conjunction with BC Ferries analytical team. On February 9th 2005 the Commission issued a formal **Order 0501 titled "Determination of the Calculation and Comparison of Average Ferry Fares and Price Caps".** This details the computational methods which BC Ferries must use every quarter year for calculating: (a) an index of the average of the fares the company is currently charging for each of the 7 route groups; (b) the corresponding 7 indices of price caps which the average fare indices must not exceed, to avoid enforcement actions by the Commission.
1.2	38,65	Review BCF quarterly reports on price level	
		The Commission will specify contents required in BC Ferries quarterly reports respecting fare levels for each route group. The Commission will determine if the weighted average of the tariffs charged for each route group, as measured using the above Average Price Model are within the price cap established, and if not make appropriate orders.	The Commission specified BC Ferries quarterly reporting requirements to be the output of the Average Price Model and a set of graphs for publication on the Commission's website. The graphs show **indices of (a) actual weighted average fare and (b) price cap, with comparisons of the two**, for each of the seven route groups, by quarter. These are reproduced in Appendix 1 to this report. The quarterly reports **showed that BC Ferries' actual fares were within the price cap for every quarter of fiscal 2004/5 with the following exceptions** • on the Mill Bay-Brentwood Bay route, average fares exceeded the maximum in the quarter ending September 30, 2004. Fare levels came back down below the maximum for the following quarter, so there was no infraction by BC Ferries. • on the three major routes between Vancouver Island and the Lower Mainland, the average fare level slightly exceeded the maximum allowed in the quarter ending December 31, 2004. The average fare was about one fifth of a percentage point higher than the cap. Since Order 0501 interprets the Coastal Ferry Act as meaning that the index of the average ferry fare, as computed using a four-

Activity number	Coastal Ferry Act Section	**PLANNED ACTIVITY from the Fiscal 2004/5 Service Plan (issued September 2003)**	**ACTUAL ACTIVITY in Fiscal 2004/5**
1.1	39	Determine how weighted average price is calculated	
		The Commission will provide guidelines for BC Ferries to build an Average Price Model which computes the average price within each of seven route groups. The model will draw upon BC Ferries traffic and sales data plus a set of explicit assumptions to calculate the average price at April 1, 2003, defined as the price cap for the first performance term. Operation of the model will be externally validated.	The Commission continued to engage InterVISTAS Consulting as external consultants with expertise in price cap regulation and developed an Average Price Model in conjunction with BC Ferries analytical team. On February 9th 2005 the Commission issued a formal **Order 0501 titled "Determination of the Calculation and Comparison of Average Ferry Fares and Price Caps".** This details the computational methods which BC Ferries must use every quarter year for calculating: (a) an index of the average of the fares the company is currently charging for each of the 7 route groups; (b) the corresponding 7 indices of price caps which the average fare indices must not exceed, to avoid enforcement actions by the Commission.
1.2	38,65	Review BCF quarterly reports on price level	
		The Commission will specify contents required in BC Ferries quarterly reports respecting fare levels for each route group. The Commission will determine if the weighted average of the tariffs charged for each route group, as measured using the above Average Price Model are within the price cap established, and if not make appropriate orders.	The Commission specified BC Ferries quarterly reporting requirements to be the output of the Average Price Model and a set of graphs for publication on the Commission's website. The graphs show **indices of (a) actual weighted average fare and (b) price cap, with comparisons of the two**, for each of the seven route groups, by quarter. These are reproduced in Appendix 1 to this report. The quarterly reports **showed that BC Ferries' actual fares were within the price cap for every quarter of fiscal 2004/5 with the following exceptions** • on the Mill Bay-Brentwood Bay route, average fares exceeded the maximum in the quarter ending September 30, 2004. Fare levels came back down below the maximum for the following quarter, so there was no infraction by BC Ferries. • on the three major routes between Vancouver Island and the Lower Mainland, the average fare level slightly exceeded the maximum allowed in the quarter ending December 31, 2004. The average fare was about one fifth of a percentage point higher than the cap. Since Order 0501 interprets the Coastal Ferry Act as meaning that the index of the average ferry fare, as computed using a four-

			quarter moving average, may exceed the cap for one quarter (but not two consecutive quarters), BC Ferries remained compliant with the law. **The values of the price cap index and the average fare index appear in section 4 of this report.**
1.3	42	Handle any BCF applications for extraordinary price increases	
		Commission will review and consider applications by the ferry operator for extraordinary tariff/price cap increases, e.g. due to extraordinary fuel price hikes.	There were no applications for extraordinary price cap increases during the year. However, following a request by BC Ferries, the Commission gave authorization for BC Ferries to establish a Deferral Account on its balance sheet for each route group to hold variations in fuel costs due to fluctuations in fuel prices about a "set price" per litre of fuel for each group. The purpose is to stabilize BC Ferries earnings reports and help avoid temporary fuel surcharges. The authorization was given effective October 1 2004 in Commission Order 0402. By fiscal 2005 year-end, the deferred fuel cost had accumulated to $8 million and was increasing by more than $1 million each month. After the end of the fiscal year, on June 13 2005, BC Ferries applied for an extraordinary increase in price caps. This application and the Commission's ruling on it will be covered in next year's Annual Report.
1.4	45	Adjust price cap for any service cuts/route discontinuances	
		The Commission will review service reductions or discontinuance of routes for impact on price cap and make appropriate adjustments in price cap.	There were **no service cuts/route discontinuances** requiring price cap adjustments. Note that no activity on route discontinuance is allowed before October 2006 under the Coastal Ferry Services Contract between BC Ferries and the Province of BC.

Activity number	Coastal Ferry Act Section	**PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)**	**ACTUAL ACTIVITY Fiscal 2004/5**
1.5	40,41	Conduct price cap review for next performance term	
		The Commission will initiate on or before October 1 2006 a price cap review for second performance term	The Commission gathered background research materials on this topic.
2.0	**Regulation of Ferry Service Levels**		
2.1	38,65	Review BCF quarterly reports on service level	
		The Commission will specify the format of, and review quarterly reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements.	The Commission **specified quarterly reporting requirements to BC Ferries**. These included (a) tariffs and tariff revenue, (b) ridership and traffic patterns, (c) frequency of ferry service, (d) capacity of the vessels (e) productivity measures and (f) alternative service provision.
2.2	38,66	Review BCF annual reports on service level	
		The Commission will specify the format of, and review annual reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements.	The Commission **specified BC Ferries annual reporting requirements**. BC Ferries' Annual Report for 2004/5 "Round Trip Service Delivery and On-Time Performance", received June 2005, provides for each route the actual versus scheduled numbers of round trips and the on time performance. Highlights are as follows. For the **amount of service** provided, as measured by number of round trips on each route: • On major routes, the contracted level of service was met or exceeded on the two routes Swartz Bay-Tsawwassen (rte 1) and Horseshoe Bay-Departure Bay (rte 2) but was some 1% short on route 30 (Duke Point-Tsawwassen) for "non-force-majeure" reasons. Non-force majeure means other than weather or strikes/labour slowdowns, e.g. mechanical problems. • On other routes, very close to or exceeding contracted levels of service. For **on-time performance** as measured by percent of sailings departing within 10 minutes of schedule: • On all three major routes, notably improved on-time performance compared with the last two years. • On other routes, a more mixed picture, both up and down compared with the last two years with notable deterioration for Tsawwassen-Long Harbour (rte 9) and improvement in Port McNeill-Sointula-Alert Bay (rte 25)

Activity number	Coastal Ferry Act Section	PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)	ACTUAL ACTIVITY Fiscal 2004/5
1.5	40,41	Conduct price cap review for next performance term	
		The Commission will initiate on or before October 1 2006 a price cap review for second performance term	The Commission gathered background research materials on this topic.
2.1	38,65	Review BCF quarterly reports on service level	
		The Commission will specify the format of, and review quarterly reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements.	The Commission **specified quarterly reporting requirements to BC Ferries**. These included (a) tariffs and tariff revenue, (b) ridership and traffic patterns, (c) frequency of ferry service, (d) capacity of the vessels (e) productivity measures and (f) alternative service provision.
2.2	38,66	Review BCF annual reports on service level	
		The Commission will specify the format of, and review annual reports of BC Ferries as the ferry operator to determine if it is meeting the contract service requirements.	The Commission **specified BC Ferries annual reporting requirements**. BC Ferries' Annual Report for 2004/5 "Round Trip Service Delivery and On-Time Performance", received June 2005, provides for each route the actual versus scheduled numbers of round trips and the on time performance. Highlights are as follows. For the **amount of service** provided, as measured by number of round trips on each route: • On major routes, the contracted level of service was met or exceeded on the two routes Swartz Bay-Tsawwassen (rte 1) and Horseshoe Bay-Departure Bay (rte 2) but was some 1% short on route 30 (Duke Point-Tsawwassen) for "non-force-majeure" reasons. Non-force majeure means other than weather or strikes/labour slowdowns, e.g. mechanical problems. • On other routes, very close to or exceeding contracted levels of service. For **on-time performance** as measured by percent of sailings departing within 10 minutes of schedule: • On all three major routes, notably improved on-time performance compared with the last two years. • On other routes, a more mixed picture, both up and down compared with the last two years with notable deterioration for Tsawwassen-Long Harbour (rte 9) and improvement in Port McNeill-Sointula-Alert Bay (rte 25)

Previous Year's (2003/4) Service Level Performance

Having received BC Ferries' annual report for the previous fiscal year (fiscal 2004) by July 31 2004, the Commission analyzed that report in detail with the following findings not previously reported. They are reported here because they arrived after the issue of the Commission's own Annual Report for fiscal 2004

How Far Did BC Ferries Meet its Contractual Obligations to Provide Ferry Service in 2003/4?

BC Ferries delivered **83,294 round trips**, which was 208 more round trips than were specified in the published schedule for the year because, on some routes, extra sailings were added on high-traffic days.

Given that BC Ferries is obligated to provide a set number of round trips for each route, on an annual basis, and is allowed the temporary disruptions described above, BC Ferries met **99.97% of its core service level commitments** under the contract.

How many sailings did BC Ferries miss in 2003/4, and why?

On the **Horseshoe Bay - Langdale** route, **a fire on the Queen of Surrey** caused the company to exceed the 30 cumulative days allowed for temporary service disruptions by 16 days. Also, 9 scheduled round trips were missed due to **heavy traffic** causing delays on 3 routes; and 1 scheduled round trip was cancelled to accommodate **a community event**.

Further, due to the first sailings on Christmas and New Years' day not being operated on 8 routes due to **low traffic demand**, a total of 18 sailings were missed. While these sailings are specified in the contract, they were not scheduled sailings and they have not been provided historically by BC Ferries.

880 round trips were **cancelled** with a sailing time loss of about 1,800 hours and a Ferry Transportation Fee (referred to as the "Service Fee") value of about $1.5 million. The **December 2003 labour-management dispute** was the largest single cause, with 542 round trips cancelled.

Did BC Ferries Receive its Maximum Allowable Total Service Fee of $91,851,000 in 2003/04 from the Provincial Government?

BC Ferries received the Service Fee for most of the cancelled round trips as allowed by the "Force Majeure" and/or the "Temporary Service Disruption" portions of the contract described at the top of this page. BC Ferries received all but about $46,,000 of the maximum allowable Ferry Transportation Fee.

On the **Brentwood Bay - Mill Bay** route, while the MV Mill Bay was out of service for quadrennial refit, BC Ferries was paid about $150,000 for 348 round trips that were not run. This arrangement is allowed by the CFSC once every four years.

Under its contract with the Province, BC Ferries must deliver the same schedule as was available in 2002/03. However, the contract incorrectly overstated the number of round trips for the **Gambier-Keats-Langdale** route. BC Ferries delivered 100% of the round trips required on this route and therefore received the full service fee. BC Ferries is currently in discussions with the Ministry of Transportation to correct the Contract regarding the overstatement of the number of round trips on Route 13.

For the routes that received a Service Fee (i.e. all but the Major route group), the net loss incurred by BC Ferries was $3.75 million. The Service Fee was intended to cover the excess of

			total costs over tariff and other revenues for those routes so that cross-subsidization from the Major Route Group was not required. The majority of the loss ($2.97 million) occurred on Route 3 (Langdale - Horseshoe Bay), understood to be the result of the fire on the Queen of Surrey. For all regulated routes that receive a Service Fee from the government, except Route 3, the net loss of $786,000 is a variance of less than 1% compared to the Service Fee of $86.8 million for the same routes. Although the Service Fee per round trip is specified to the penny in the CFSC, the reported Surplus or Shortfall on a route-by-route basis swings widely. The results range from a Surplus equal to 63% of the Service Fee for Route 22 (Denman-Hornby) to a Shortfall equal to 100% of the Service Fee for Gambier-Keats-Langdale.
2.3	43	Handle any BCF applications for service cuts	
		Review and consider any applications by the ferry operator for reductions in service (temporary reductions would occur immediately).	The Commission received no such applications in the reporting period.

Activity number	Coastal Ferry Act Section	PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)	ACTUAL ACTIVITY in Fiscal 2004/5
2.4	44	Handle any BCF applications for route discontinuance, possibly hold hearing	
		Review and consider any applications by the ferry operator to discontinue a route. After Oct. 2006, route discontinuance applications may be made (the determination process takes 9 months).	There was **no activity**: route discontinuance is not allowed before October 2006.
3.1	55	On BCF request, decide if a proposed capital deployment is reasonable	
		If a ferry operator makes an application, the Commissioner will consider a proposed capital deployment or capital expenditures in connection with a route or terminal to determine if they are reasonably required. Consultants of various specialties will be engaged to undertake a "process audit" of the BC Ferries analysis.	On May 11, 2004, BC Ferries applied for a declaration that a capital deployment of $542 million for up to three vessels for the major route group was reasonably required. The company stated that the vessels to be acquired would replace three existing V-class vessels—the Queen of Esquimalt, the Queen of Saanich and the Queen of Vancouver—which were at or near the end of their economic lives. BC Ferries also asked to have these expenditures included in the regular price cap review preceding the performance term starting April 1, 2008. The Commission engaged two consulting firms which advised independently on this application. On June 10, 2004 the Commission issued **Order 0401** in which it found the acquisition of up to three vessels for deployment on the major route group to be reasonably required. In making its ruling, the Commission was satisfied that: • shortcomings are apparent in the three V-class vessels respecting their capacity, performance and compliance with future safety regulations; • it is prudent and timely to address these shortcomings; • to upgrade these vessels would raise serious challenges and risks, and is not the preferred course of action; • acquiring three other, superior vessels is the most appropriate procurement option; and that BC Ferries has: • undertaken a competitive bid process, verified by independent technical experts, to determine capital cost estimates for the three vessels; • carefully weighed and considered a number of factors in developing a vessel replacement strategy designed to meet its contractual obligations for the major route group, and for Route 3 which could see a related re-allocation of vessels; • followed a process that will mitigate, though by no means eliminate, the risks involved in such a large capital project; • applied several best practices in the governance of the capital project; • put in place safeguards against late delivery of the new vessels; and • structured the procurement process to be credible and create competition among high quality international bidders.

Activity number	Coastal Ferry Act Section	PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)	ACTUAL ACTIVITY in Fiscal 2004/5
2.4	44	Handle any BCF applications for route discontinuance, possibly hold hearing	
		Review and consider any applications by the ferry operator to discontinue a route. After Oct. 2006, route discontinuance applications may be made (the determination process takes 9 months).	There was **no activity** - route discontinuance is not allowed before October 2006
3.0	**Special Decisions**		
3.1	55	On BCF request, decide if a proposed capital deployment is reasonable	
		If a ferry operator makes an application, the Commissioner will consider a proposed capital deployment or capital expenditures in connection with a route or terminal to determine if they are reasonably required. Consultants of various specialties will be engaged to undertake a "process audit" of the BC Ferries analysis.	On May 11, 2004, BC Ferries applied for a declaration that a capital deployment of $542 million for up to three vessels for the major route group was reasonably required. The company stated that the vessels to be acquired would replace three existing V-class vessels—the Queen of Esquimalt, the Queen of Saanich and the Queen of Vancouver—which were at or near the end of their economic lives. BC Ferries also asked to have these expenditures included in the regular price cap review preceding the performance term starting April 1, 2008. The Commission engaged two consulting firms which advised independently on this application. On June 10, 2004 the Commission issued **Order 0401** in which it found the acquisition of up to three vessels for deployment on the major route group to be reasonably required. In making its ruling, the Commission was satisfied that: • shortcomings are apparent in the three V-class vessels respecting their capacity, performance and compliance with future safety regulations; • it is prudent and timely to address these shortcomings; • to upgrade these vessels would raise serious challenges and risks, and is not the preferred course of action; • acquiring three other, superior vessels is the most appropriate procurement option and that BC Ferries has; • undertaken a competitive bid process, verified by independent technical experts, to determine capital cost estimates for the three vessels; • carefully weighed and considered a number of factors in developing a vessel replacement strategy designed to meet its contractual obligations for the major route group, and for Route 3 which could see a related re-allocation of vessels; • followed a process that will mitigate, though by no means eliminate, the risks involved in such a large capital project; • applied several best practices in the governance of the capital project; • put in place safeguards against late delivery of the new vessels; and • structured the procurement process to be credible and create competition among high quality international bidders.

3.2	38(4)	Deregulate a ferry route if competition sufficient	
		Make a determination of removing the route designation for a route upon which sufficient competition exists so that regulation of that route is no longer necessary	The Commission made **no investigations** under this section in the reporting period.
3.3	69	Receive from each ferry operator its plan stating how it will seek additional or alternative service providers.	
		The Commissioner will examine the plan. If he considers that the ferry operator has failed to comply with this section he may adjust the productivity factor used in calculating the price cap, and/or order the ferry operator to provide a satisfactory plan, and may order the operator to comply with that plan.	The Commission received BC Ferries' **"Alternative Service Providers Plan"** on March 31 2004. The document identified six routes in three clusters as candidate for alternative service provision. On April 13 2004 the Commission reserved its judgment on this document and wrote to BC Ferries raising eight questions and discussion points and asked BC Ferries to elaborate upon its document. During the year the Commission received direct, written approaches from four interested firms or individuals seeking appropriate ways to approach BC Ferries as potential alternate service providers. The Commissioner briefed these groups on the current status of the procurement of alternative service providers and directed them to BC Ferries. During the year the Commission was consulted by BC Ferries on ways to ensure that any competitive process was fair and open. BC Ferries introduced the concept of a Fairness Auditor who would work with, and advise, BC Ferries on dealing with its conflict of interest as both contractor with, and competitor to, alternative service providers on BC Ferries routes. The Commission scheduled an **invitation-only workshop on section 69** of the Act. Titled "New Opportunities and Challenges for Ferry Operators in British Columbia" this one-day session will be held in Vancouver on June 15, 2005. Sponsored by the BC Ferry Commission, it is to be organized and facilitated by the Western Transportation Advisory Council (WESTAC). Representatives from three marine labour unions are also invited. Its purpose is to be a forum for the exchange of information and views on the potential opportunities and challenges in coastal BC for ferry service providers as subcontractors, franchisees or competitors to BC Ferries.

Activity number	Coastal Ferry Act Section	PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)	ACTUAL ACTIVITY in Fiscal 2004/5
4.1	38(2)	Monitor BCF reporting to public	
		The Commissioner will observe how BC Ferries reports its own performance respecting pricing its fares under the price cap, and respecting its service level actually delivered versus the contracted service levels.	The Commission agreed with BC Ferries that **the Commission would publish, on its own website, weighted average fare levels and price caps** by route group, by quarter. This began in May 2004. **BC Ferries agreed to publish on its website certain other quarterly performance data** including: numbers of sailings made by route relative to contract commitments, with reasons for cancellations of sailings; on time performance by route with reasons for delays; and overloads (i.e. numbers of full sailings where traffic was left behind) by route. This began in June 2004. These reports showed that on-time performance on Route 25 (Port McNeill-Sointula-Alert Bay) was less than satisfactory. This was further called to our attention by local government at Alert Bay and was also apparent from bridge logs. The Commission launched a probe seeking the company's explanation. The main reason appeared to be the mechanical condition of the vessel. BC Ferries has taken steps to rectify the problems
4.2	46	Inspect BCF records as required	
		Order inspections of the records of the ferry operator as necessary.	The Commission found **no activity** to be necessary under this section.
4.3	48	Issue orders to BCF re: non-compliance with the law as required	
		Issue orders for non-compliance with the legislation as necessary.	The Commission found BC Ferries to be in compliance and **no activity** was necessary under this section in the reporting period.
5.1	52	Maintain Commission records, provide public access	
		Files will be maintained accessible to the public under the Freedom of Information and Protection of Privacy Act. Response to public enquiries will be made via telephone, postal mail, e-mail.	The Commission maintained electronic and paper records of its activities through the reporting period. There were **no requests received under the Freedom of Information and Protection of Privacy Act**. • Approximately 90 different members of the general public wrote to or telephoned the Commissioner in person with comments and questions during the reporting period. Every correspondent received a personal, written reply or returned telephone call. • These exchanges resulted in some 240 pieces of correspondence.

Activity number	Coastal Ferry Act Section	PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)	ACTUAL ACTIVITY in Fiscal 2004/5
4.0	**Enforcement**		
4.1	38(2)	Monitor BCF reporting to public	
		The Commissioner will observe how BC Ferries reports its own performance respecting pricing its fares under the price cap, and respecting its service level actually delivered versus the contracted service levels.	The Commission agreed with BC Ferries that **the Commission would publish, on its own website, weighted average fare levels and price caps** by route group, by quarter. This began in May 2004. **BC Ferries agreed to publish on its website certain other quarterly performance data** including: numbers of sailings made by route relative to contract commitments, with reasons for cancellations of sailings; on time performance by route with reasons for delays; and overloads (i.e. numbers of full sailings where traffic was left behind) by route. This began in June 2004. These reports showed that on-time performance on Route 25 (Port McNeill-Sointula-Alert Bay) was less than satisfactory. This was further called to our attention by local government at Alert Bay and was also apparent from bridge logs. The Commission launched a probe seeking the company's explanation. The main reason appeared to be the mechanical condition of the vessel. BC Ferries has taken steps to rectify the problems
4.2	46	Inspect BCF records as required	
		Order inspections of the records of the ferry operator as necessary.	The Commission found **no activity** to be necessary under this section.
4.3	48	Issue orders to BCF re: non-compliance with the law as required	
		Issue orders for non-compliance with the legislation as necessary.	The Commission found BC Ferries to be in compliance and **no activity** was necessary under this section in the reporting period.
5.0	**Publication and Outreach**		
5.1	52	Maintain Commission records, provide public access	
		Files will be maintained accessible to the public under the Freedom of Information and Protection of Privacy Act. Response to public enquiries will be made via telephone, postal mail, e-mail.	The Commission maintained electronic and paper records of its activities through the reporting period. There were **no requests received under the Freedom of Information and Protection of Privacy Act**. • Approximately 90 different members of the general public wrote to or telephoned the Commissioner in person with comments and questions during the reporting period. Every correspondent received a personal, written reply or returned telephone call. • These exchanges resulted in some 240 pieces of correspondence.

Activity number	Coastal Ferry Act Section	**PLANNED ACTIVITY from the 2004/5 Service Plan (issued September 2003)**	**ACTUAL ACTIVITY in Fiscal 2004/5**
5.2	52	Publish decisions/determinations/orders/proceedings	
		The Commissioner will publish every decision, determination and order in a manner that the Commissioner believes will bring it to the attention of the public. All such items will be published on the Commission's website, at a minimum.	The Commission continued to maintain **a web site** at bcferrycommission.com. This is the medium for publishing decisions, determinations and orders. It features a "What's New" category which is updated approximately monthly and provides links to download all its rulings.
5.3	NA	Communicate with public and stakeholders	
		The Commission will actively communicate the role and responsibilities of the Commission to the public; make appearances in the media; make presentations and speeches to stakeholder groups.	The Commission's **web site** describes its role and activities and gives contact information. In fiscal 2004/5 the website saw the following: • Average number of hits per day (in any given month): ranged from 370 per day in the slowest month to 700 in the busiest; • Average number of visits per day (in any given month) ranged from 20 in the slowest month to 55 in the busiest. This compared to an average of 10 visits per day in the six months preceding fiscal 2004/5. During the reporting period, the Commissioner made 2 media appearances, made remarks or speeches in 4 public venues and met several stakeholder groups: • in April 2004, he attended BC Ferries' public consultation on the **Northern Strategy in Port Hardy**. In the same month, he visited representative of the **Village of Alert Bay** to discuss their concerns about chronic tardiness of their ferry service. • in May 2004, he attended a meeting of the **Denman Island** Ferry Advisory Committee and spoke about the role of the ferry commission and the price cap review process. • in July 2004, the Commissioner met the executive member of the **Gabriola Island** MediVac Society and received their petition concerning after-hour emergency evacuation from Gabriola by ferry. • In September 2004 the Commissioner and Deputy Commissioner attended BC Ferries **Annual Public Meeting in Nanaimo** and met the BC Ferry Authority and BC Ferries Board of Directors • In October, the Commissioner was interviewed on the Rafe Mair show. The BC Progress Board also interviewed him. • In November he made a speech and presentation to the **Courtenay** Probus Club. He visited **Kuper Island** as a guest of a member of the

			local Treaty Society. He also spoke to the **Denman Island** Ferry Advisory Committee on Denman, and the **Hornby Island** Ferry Advisory Committee on Hornby. • In February, the Commissioner attended the **Islands Trust Forum in Nanaimo**. • In March, the Commissioner attended a public meeting hosted by the Sunshine Coast Ferry Advisory Committee in **Sechelt** and a meeting featuring the BC Ferries President hosted by the Comox Valley Chamber of Commerce in Courtenay. The Commissioner met other stakeholder organizations during the reporting period, visiting the offices and meeting senior executives of **Harbourlynx** in Nanaimo, and the **Washington Marine Group** in North Vancouver. In Victoria he met executives of **Victoria Clipper and SeaTransport**. He also met officials of **the BC Ferry and Marine Workers' Union** for informal discussions on two occasions in Victoria and Courtenay-Comox. In contacts with **senior government officials**, during the year, the Commissioner met the B.C. Deputy Minister of Transport in Victoria, and staff of the Office of the Auditor General.
6.1	36	Operate office and engage external support services	
		Establish the office of the Commission. Make arrangements for telephone, mail and electronic access. Rent office space as required. Office operations (secretarial, phone, courier, post, internet, website) Office equipment dedicated to Commission use Obtain accounting, audit, archiving, and legal advice as required.	A **"virtual" office** operates with dedicated post box, phone, fax, computer and internet connections in Comox, B.C. An accounting and payment system is provided by office of the Attorney General. The Commission has no support staff. The Commission has no professional staff. **Mr. Alan Eastwood** of North Saanich served on contract as Special Advisor through September 2004, when he was appointed Deputy British Columbia Ferries Commissioner.
6.2	NA	Research background to ferry operating environment	
		This activity is Commissioner's ferry system familiarization and background study. The Commissioner intends to travel all ferry routes in person. Research and Investigations initiated by Commission	The Commissioner travelled 19 of BC Ferries' 25 designated ferry routes in fiscal 2005, including six routes (numbered 5,8,9, 13 and 20) not travelled last year. This meant that he had travelled every route, providing an opportunity for informal discussions with ships' crews and passengers, and to visit ferry-dependent communities. The Commissioner also travelled the competing Harbourlynx catamaran ferry between downtown Vancouver and Nanaimo.

			local Treaty Society. He also spoke to the **Denman Island** Ferry Advisory Committee on Denman, and the **Hornby Island** Ferry Advisory Committee on Hornby. • In February, the Commissioner attended the **Islands Trust Forum in Nanaimo**. • In March, the Commissioner attended a public meeting hosted by the Sunshine Coast Ferry Advisory Committee in **Sechelt** and a meeting featuring the BC Ferries President hosted by the Comox Valley Chamber of Commerce in Courtenay. The Commissioner met other stakeholder organizations during the reporting period, visiting the offices and meeting senior executives of **Harbourlynx** in Nanaimo, and the **Washington Marine Group** in North Vancouver. In Victoria he met executives of **Victoria Clipper and SeaTransport**. He also met officials of **the BC Ferry and Marine Workers' Union** for informal discussions on two occasions in Victoria and Courtenay-Comox. In contacts with **senior government officials**, during the year, the Commissioner met the B.C. Deputy Minister of Transport in Victoria, and staff of the Office of the Auditor General.
6.0	**Administration and Reporting**		
6.1	36	Operate office and engage external support services	
		Establish the office of the Commission. Make arrangements for telephone, mail and electronic access. Rent office space as required. Office operations (secretarial, phone, courier, post, internet, website) Office equipment dedicated to Commission use Obtain accounting, audit, archiving, and legal advice as required.	A **"virtual" office** operates with dedicated post box, phone, fax, computer and internet connections in Comox, B.C. An accounting and payment system is provided by office of the Attorney General. The Commission has no support staff. The Commission has no professional staff. **Mr. Alan Eastwood** of North Saanich served on contract as Special Advisor through September 2004, when he was appointed Deputy British Columbia Ferries Commissioner.
6.2	NA	Research background to ferry operating environment	
		This activity is Commissioner's ferry system familiarization and background study. The Commissioner intends to travel all ferry routes in person. Research and Investigations initiated by Commission	The Commissioner travelled 19 of BC Ferries' 25 designated ferry routes in fiscal 2005, including six routes (numbered 5,8,9, 13 and 20) not travelled last year. This meant that he had travelled every route, providing an opportunity for informal discussions with ships' crews and passengers, and to visit ferry-dependent communities. The Commissioner also travelled the competing Harbourlynx catamaran ferry between downtown Vancouver and Nanaimo.

Activity number	Coastal Ferry Act Section	**PLANNED ACTIVITY from the 2003/4 Service Plan (issued September 2003)**	**ACTUAL ACTIVITY in the Reporting Period (August 2003 through March 2004)**
6.3	59	Prepare Commission's annual budget	
		Budget will include expenditures reasonably expected to be incurred in the following year, supported by a Service Plan for the year.	In September 2004 the Commission issued a **Service Plan and Budget for Fiscal 2006**. This projected the Commission's total expenditures in fiscal 2006 at $285,000 including a 5% contingency allowance.
6.4	53	Report annually to Lieutenant Governor-in-Council	
		Within 4 months after the end of each fiscal year, the Commissioner will make a report to the Lieutenant Governor-in-Council for the preceding fiscal year, setting out briefly (a) all applications and requests for decisions to the commissioner under the Act, (b) all orders issued by the commissioner, (c) the financial statements applicable to the office of the commissioner for that year along with full disclosure of the expenses of, and associated with, the office of the commissioner, and (d) other information the Lieutenant Governor-in-Council directs.	This Annual Report is intended to meet the requirements of this section of the Act. The Lieutenant Governor in Council has not directed that any other information be included.

4 Average Fare Levels

The table below shows the values of a price cap index (=100 at 2003) and compared to an index of actual weighted average fares, for each of seven groups of routes in the BC Ferries system.

The figures are computed by methods laid down in Commission Order #0x0y.

Note that BC Ferries is allowed to exceed the price cap index for one (highlighted), but not two, consecutive quarters under the regulation.

These figures confirm that BC Ferries was in compliance with price caps in fiscal 2005.

		Qtr Ending	Jun-2003	Mar-2004	Jun-2004	Sep-2004	Dec-2004	Mar-2005
Group # 1	MAJORS	Price Cap	100.00	100.83	101.55	102.57	103.26	103.77
	MAJORS	Avg. Fare	100.00	100.51	101.12	102.42	103.36	103.45
Group # 2	MINORS	Price Cap	100.00	101.36	102.45	104.07	105.16	106.04
	MINORS	Avg. Fare	100.00	99.79	100.46	101.87	104.14	104.63
Group # 3	NORTHERN	Price Cap	100.00	100.60	101.67	104.22	104.73	105.10
	NORTHERN	Avg. Fare	100.00	100.16	101.52	103.38	103.70	104.09
Group # 4	ROUTE 3	Price Cap	100.00	101.39	102.49	104.04	105.20	106.08
	ROUTE 3	Avg. Fare	100.00	100.28	101.21	102.67	103.56	104.26
Group # 5	ROUTE 12	Price Cap	100.00	101.53	102.20	103.97	105.16	106.17
	ROUTE 12	Avg. Fare	100.00	101.00	100.63	106.31	104.71	99.60
Group # 6	ROUTE 13	Price Cap	100.00	101.42	102.41	104.09	104.97	105.88
	ROUTE 13	Avg. Fare	100.00	97.83	99.23	91.10	96.74	103.46
Group # 7	ROUTE 40	Price Cap	100.00	100.00	100.78	104.40	104.40	104.40
	ROUTE 40	Avg. Fare	100.00	100.04	99.82	99.93	99.93	99.89

5 Financial Statements

Accounting and Payment System

The Commission is grateful for the assistance of the Ministry of the Attorney General which provides accounting, banking and payment services at no cost to the Commission. These financial statements are based upon the financial information provided by the Ministry and on the activity analysis of the Commission.

Revenues

The costs of running the BC Ferry Commission have to be paid by ferry operators through a percentage levy on toll revenues.

In fiscal year 2004/5, the total paid to the Commission by BC Ferries, the only ferry operator regulated by the Commission during the year, was $133,500. In addition there was a cash balance on hand of $148,329 from the previous year, giving total cash of $281,829 available to fund Commission's operations in fiscal 2004/5.

Expenditures

Only part of this was required. Expenditures in fiscal 2004/5 totalled $203,258 or 99% of the previously budgetted expenditures of $205,625 for this period. A 30% contingency in the budget was not needed. Accordingly, a credit balance or $78,751 remains to be carried forward into fiscal 2005/6.

The cost of operating the Commission represented 0.06% of BC Ferries' toll revenue (i.e. excluding retail and other ancillary revenue and service fees) of $345,851,000 for fiscal 2004/5, or about 6/10 of the maximum 0.10% of toll revenues allowed to the Commission by the Act.

The following page shows a breakdown of actual versus budgeted expenditures for the year.

Commissioners' Remuneration

The Commissioner and Deputy are paid by per-diem fee for their services. The Commissioner received $78,638 in per-diem fees during the year. In addition he was reimbursed $6,529 for actual travel expenses and $4,726 for actual other expenses incurred during the year, including dedicated office equipment, office supplies, telephone, web site and other communications expenses. The Deputy Commissioner received $18,220 for his services during the part -year after his appointment. In addition he was reimbursed $1,044 for actual travel expenses incurred in this period.

Office of the BC Ferries Commissioner: Expenditure Summary

Activity	FY2004/5				
	Fees		Expenses		TOTAL
	Commissioners	Consultants	Travel*	Other**	
(A) Actual Expenditures					
Regulation of Ferry Fares	$ 21,643	$ 20,133	$ 4,215	$ -	$ 45,991
Regulation of Service Levels	$ 7,761	$ 4,569	$ 2,215	$ -	$ 14,545
Special Decisions	$ 13,520	$ 76,717	$ 4,531	$ -	$ 94,768
Enforcement	$ -	$ -	$ -	$ -	$ -
Publication and Outreach	$ 22,005	$ 269	$ 1,965	$ -	$ 24,238
Administration and Reporting	$ 19,084	$ 538	$ -	$ 4,093	$ 23,715
TOTAL	$ 84,013	$ 102,227	$ 12,925	$ 4,093	$ 203,258
(B) Budgetted Expenditures (from budget published Sept. 2003)					
Regulation of Ferry Fares	$ 8,775	$ 5,000	$ 1,000	$ -	$ 14,775
Regulation of Service Levels	$ 4,725	$ 5,000	$ 1,000	$ -	$ 10,725
Special Decisions	$ 8,100	$ 70,000	$ 12,000	$ -	$ 90,100
Enforcement	$ 2,700	$ -	$ -	$ -	$ 2,700
Publication and Outreach	$ 14,850	$ -	$ 2,000	$ 1,000	$ 17,850
Administration and Reporting	$ 11,475	$ 47,000	$ 5,000	$ 6,000	$ 69,475
TOTAL	$ 50,625	$ 127,000	$ 21,000	$ 7,000	$ 205,625
(A/B) Actual as % of Budget Expenditures					
Regulation of Ferry Fares	247%	403%	421%	NA	311%
Regulation of Service Levels	164%	91%	221%	NA	136%
Special Decisions	167%	110%	38%	NA	105%
Enforcement	0%	NA	NA	NA	0%
Publication and Outreach	148%	NA	98%	0%	136%
Administration and Reporting	166%	1%	0%	68%	34%
TOTAL	166%	80%	62%	58%	99%

*Receipted travel expenses for Commissioners plus consultants

**Includes office equipment, supplies, telephone and miscellaneous costs

Office of the BC Ferries Commissioner: Expenditure Summary

Activity	FY2004/5				
	Fees		Expenses		TOTAL
	Commissioners	Consultants	Travel*	Other**	
(A) Actual Expenditures					
Regulation of Ferry Fares	$ 21,643	$ 20,133	$ 4,215	$ -	$ 45,991
Regulation of Service Levels	$ 7,761	$ 4,569	$ 2,215	$ -	$ 14,545
Special Decisions	$ 13,520	$ 76,717	$ 4,531	$ -	$ 94,768
Enforcement	$ -	$ -	$ -	$ -	$ -
Publication and Outreach	$ 22,005	$ 269	$ 1,965	$ -	$ 24,238
Administration and Reporting	$ 19,084	$ 538	$ -	$ 4,093	$ 23,715
TOTAL	$ 84,013	$ 102,227	$ 12,925	$ 4,093	$ 203,258
(B) Budgetted Expenditures (from budget published Sept. 2003					
Regulation of Ferry Fares	$ 8,775	$ 5,000	$ 1,000	$ -	$ 14,775
Regulation of Service Levels	$ 4,725	$ 5,000	$ 1,000	$ -	$ 10,725
Special Decisions	$ 8,100	$ 70,000	$ 12,000	$ -	$ 90,100
Enforcement	$ 2,700	$ -	$ -	$ -	$ 2,700
Publication and Outreach	$ 14,850	$ -	$ 2,000	$ 1,000	$ 17,850
Administration and Reporting	$ 11,475	$ 47,000	$ 5,000	$ 6,000	$ 69,475
TOTAL	$ 50,625	$ 127,000	$ 21,000	$ 7,000	$ 205,625
(A/B) Actual as % of Budget Expenditures					
Regulation of Ferry Fares	247%	403%	421%	NA	311%
Regulation of Service Levels	164%	91%	221%	NA	136%
Special Decisions	167%	110%	38%	NA	105%
Enforcement	0%	NA	NA	NA	0%
Publication and Outreach	148%	NA	98%	0%	136%
Administration and Reporting	166%	1%	0%	68%	34%
TOTAL	166%	80%	62%	58%	99%

*Recepted travel expenses for Commissioners plus consultants

**Includes office equipment, supplies, telephone and miscellaneous costs